

Announcement

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| Completion of sale of Bank of Cyprus Australia Ltd  |

Nicosia, 1 March 2012

Founded in 1899, the Bank of Cyprus Group is the leading Cypriot banking and financial services group. In addition to retail and commercial banking, the Group’s activities include finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. The Group currently operates through a total of 583 branches, of which 199 operate in Russia, 188 in Greece, 137 in Cyprus, 42 in Ukraine, 12 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has 6 representative offices in Russia, Romania, Ukraine, Serbia and South Africa. The Bank of Cyprus Group employs 11.326 staff worldwide.

At 31 December 2011, the Group’s Total Assets amounted to €37,84 bn and the Shareholders’ Funds were €2,70 bn. The Bank of Cyprus shares are listed on the Cyprus and Athens Stock Exchanges. Additional information can be found on the Group’s website [www.bankofcyprus.com](http://www.bankofcyprus.com).



Bank of Cyprus (the “Bank” or the “Group”) has completed the sale of its subsidiary bank in Australia, Bank of Cyprus Australia Ltd (“BOCA”), to Bendigo and Adelaide Bank Limited.

The sale consideration amounts to €105 mn. The sale has a positive impact of about €280 mn on the Group’s liquid funds. In addition, the sale results in a positive impact on the Group’s capital adequacy ratios. Specifically, the transaction gives rise to a positive impact of around €80 mn on Bank of Cyprus’ capital buffer as calculated in the Capital Exercise carried out by the European Banking Authority in cooperation with the Central Bank of Cyprus. The Group profit from the sale is estimated at around €9 mn.

As at 31 December 2011, BOCA had total loans as well as total deposits of €1,1 bn.

As already stated in the Group’s related announcement dated 16 December 2011, the decision to sell BOCA is in line with the Group strategy of further strengthening its capital position and its liquid funds.